

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 OMB-01 L-03 /067 W
-----000863 062342Z /65

R 052245Z AUG 77
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 8334

UNCLAS SAN JOSE 3606

E.O. 11652: N/A
TAGS: EFIN CS
SUBJ: LATIN AMERICAN BANK AND GRUPO PROIN LEGAL BATTLE CONTINUES

REF: SAN JOSE 3424

1. THE CONFLICT BETWEEN THE RODRIGUEZ BROTHERS AND THE US CREDITOR BANKS CONTINUED TO MAKE FIRST PAGE NEWS DURING THE FIRST WEEK OF AUGUST.

2. AMERICAN FLETCHER NATIONAL BANK AND TRUST ENTERED AN EMBARGO AUGUST 2 AGAINST THE GRUPO PROIN AND FINANCIERA INTERAMERICANA FOR TWO PROMISSORY NOTES TOTALING 350,000 DOLLARS. ARNOLDO RODRIGUEZ CHARACTERIZED THE MOVE AS A "REPRISAL" FOR THE FRAUD CHARGES BROUGHT BY GRUPO PROIN AGAINST THE US CREDITOR BANKS AND CLAIMED THAT THESE NOTES WERE NOT CALLABLE SINCE THEY FORMED A PART OF THE "SCHEME OF ARRANGEMENT" IN WHICH THE COSTA RICAN NATIONALIZED BANKING SYSTEM ASSUMED RESPONSIBILITY FOR A PORTION OF THE LATIN AMERICAN BANK'S PORTFOLIO. REPRESENTATIVES OF AMERICAN FLETCHER MAINTAINED THAT THE ACTION TO COLLECT THE \$350,000 HAD NOTHING TO DO WITH THE FRAUD CHARGES.

3. WEDNESDAY, AUGUST 3, THE JUDGE HEARING THE FRAUD CHARGE DECLARED THE REPRESENTATIVES OF THE THREE US CREDITOR BANKS ON THE L.A.B. BOARD OF INTERVENORS, ERIC MOORE, ROBERT M CRAIG AND UNCLASSIFIED

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CHARLES L FALVEY, TO BE "IN REBELLION" (EN REBELDIA), APPARENTLY BECAUSE OF THEIR FAILURE TO APPEAR PERSONALLY TO TESTIFY IN THE CASE. THE JUDICIAL ORDER SUBJECTS THE THIRDH AMERICANS TO BEING DETAINED AND PLACED AT THE DISPOSITION OF THE COURT SHOULD THEY APPEAR IN COSTA RICA. THE COURT'S FORMAL CONSIDERATION OF A DEFENSE MOTION THAT THE FRAUD CHARGE BE RULED A CIVIL AND NOT A PENAL

MATTER WAS POSTPONED FROM AUGUST 12 TO AUGUST 24,

4. ACCORDING TO THE LOCAL PRESS, A MEETING OF THE COMMITTEE OF
INTERVENORS OF L.A.B. IS TO BE HELD AUGUST 9 OR 10 IN MIAMI.
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Message Attributes

Automatic Decaptioning: X
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Executive Order: N/A
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Subject: LATIN AMERICAN BANK AND GRUPO PROIN LEGAL BATTLE CONTINUES
TAGS: EFIN, CS, US, GRUPO PROIN, LATIN AMERICAN BANK, (RODRIGUEZ, ARNOLDO)
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